

**STATEMENT
OF
SENATOR DANIEL K. INOUE
CHAIRMAN
COMMITTEE ON INDIAN AFFAIRS
BEFORE THE
JUNE 26, 2002 HEARING
ON THE STATUS
OF THE
DEPARTMENT OF INTERIOR/TRIBAL TASK FORCE
ON TRUST FUND REFORM DIALOGUE**

The Committee meets today to receive testimony from the four co-chairs of the task force that has been established to consider proposals for the reorganization of the Department of the Interior to better address the management of funds that are held in trust for Indian Tribal Governments and individual Indians.

A report issued by the General Accounting Office in 2001 indicates that the Department maintains approximately 1,400 Tribal Trust Accounts for 315 Indian Tribes with assets in excess of \$2.6 billion.

The Department is also currently administering 260,000 Individual Indian Money Accounts with a balance of \$400 million as of September 30, 2000.

In November of last year, the Secretary of the Interior proposed a plan for the reorganization of the Department and the establishment of a Bureau of Indian Trust Asset Management.

This organizational plan was filed with the District Court in the ongoing class action litigation of individual Indian money account holders who assert that the government has mismanaged their trust funds.

Reaction to the Secretary's proposal in Indian Country was not favorable, and ultimately, it was decided that a task force should be established to examine other proposals for the reorganization of the Department.

The Committee is advised that there were 28 proposals in all that were considered by the task force which is composed of representatives of the Department of the Interior and 24 representatives of Indian Country.

Although the Committee anticipated that today's hearing would focus on one single proposal that had the support of both the task force members and most of Indian Country, we are advised that the process has yet to yield consensus.

Accordingly, the Committee has scheduled another hearing on July 30th, to receive testimony on what the Committee understands will be a forthcoming consensus proposal.

On that same day, the Committee will also receive testimony on S. 2212, a bill introduced by senators Daschle, McCain and Johnson which also proposes a reorganization of the Department to achieve a greater measure of accountability in the management of Indian Trust Funds.

In addition to the dialogue that is taking place on matters related to the organization of the Department and its management of Tribal Trust Funds, there are two cases now before the United States Supreme Court which call upon the Court to decide the nature and extent of the United States' responsibilities and liabilities as they relate to the management and administration of other tribal trust resources.

So we have much on our agenda to address as we proceed to consider the range of issues associated with the United States' trust responsibility.

Finally, I want to observe that after reading the testimonies last evening, it struck me that the existence of this dialogue process and what the task force has set out for itself to accomplish is nothing less than historic.

Over the years, we have witnessed many solutions directed at these endemic and systemic problems, but as our presence here today acknowledges, none of those solutions have proven to be the ultimate, workable solution.

But I think that with this task force and the ongoing dialogue between the Department and the Tribal Governments, we finally have the potential for developing solutions that will work.

This is in no small part because the Indian beneficiaries are thoughtful people who know both how the system works and how it ought to work.

I want to commend Secretary Norton and the Department – because I surmise that you have come to the same conclusion that I have – that the most effective solutions for the challenges confronting Native America can be found in Indian Country.

On behalf of this Committee, I want to thank you, one and all, for the time and patience and commitment you have made to this process and these issues.

Whether you have had the time to step back and take the long view of what you are engaged in, or not, let me assure you that from the vantage point of this Committee, you are making history.

And I dare say that the history you are making is not just your work as it affects the management of trust funds, but as the model and the precedent you are establishing in creating a federal-tribal partnership approach to the resolution of problems.

As difficult and as tortuous as you may sometimes find the pursuit of this journey together, there is great potential for such a partnership to address other challenges.

Keep up the good work, and don't allow yourselves to get discouraged.

We are counting on you and looking forward to working with you, and I have no doubt that together, we will find the solutions that will finally work.